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SUMMARY DOCUMENT

Note prepared by the secretariat

ADDENDUM

DEVELOPMENT OF INTERNATIONAL TRADE (sub-programme 07)

A. Highlights

1. At its forty-second session, held on 1-3 March 1994, the Committee on the Development of Trade discussed trade policy issues in the region on the basis of the two major studies prepared by the secretariat: namely "Establishing conditions conducive to expanding trade among economies in transition" and "Success and shortcomings of privatization: implications for economies in transition and their place in the world market". The Committee also considered the question of obstacles to the development of exports of goods originating in countries in transition. It was suggested that the Committee as well as the secretariat assist those countries in transition which are in the process of negotiating their terms of accession to GATT by providing them with analytical material and other forms of assistance.

2. A round-table was organized on the theme of the "Impact of trade facilitation techniques and procedures on intraregional trade", which offered delegations the opportunity to familiarize themselves with the new trading techniques, better business practices and the advantages that trade facilitation procures in terms of cost reduction, business development and market access. For a round-table during its next session, the Committee on the Development of Trade has selected the following theme: "Impact of the positive conclusions of the Uruguay Round on intraregional trade with special reference to the trade of the countries in transition".

3. The Committee noted with satisfaction the secretariat's assistance to member States in the organization of workshops. In 1993, three workshops were organized under the Committee's auspices; the first, entitled "Business Forum", was held in November in Minsk (Belarus); the second on "Promoting foreign direct investment in a small country in transition" was held in Ljubljana (Slovenia) in November; and the third on "Financing east-west trade and privatization in central and eastern Europe" was held in Geneva in September 1993, during the forty-second session of the Working Party on International Contract Practices in Industry.

4. The Committee reviewed the activities of its two subsidiary bodies: the Working Party on Facilitation of International Trade Procedures (WP.4) and the Working Party on International Contract Practices in Industry (WP.5). It reaffirmed trade facilitation as priority number one in its work, and the work of WP.5 and the preparation of Guides for countries in transition as priority number two in its programme of work. It also agreed that WP.5 hold its next meeting, including a seminar, in September 1994.

5. The Committee requested the secretariat to prepare a study for its forty-third session on the contribution of foreign direct investment (FDI) to the expansion of east-west trade and its role in strengthening the export capacities of countries in transition.

B. Cooperation

6. Cooperation has been developed with the EBRD and the OECD. The EBRD regularly contributes speakers or material for meetings as well as other activities undertaken particularly under the auspices of WP.5. It also makes use of WP.5 materials, including the Guides which are reflected in the EBRD Newsletter "Law in transition". Cooperation with the OECD has been particularly developed in the field of methodology for evaluating foreign direct investment and collection of FDI statistics in countries of the region.

C. Difficulties encountered

7. While a number of small countries in transition had expressed their desire to participate in the workshops organized with the assistance of the ECE secretariat, they have not been able to do so for lack of financial resources. The efforts made by the secretariat to secure financing for their participation from member States and regional technical assistance organizations has not been very successful.

8. At the forty-second session of the Committee on the Development of Trade, criticism was levelled at the secretariat for not allocating sufficient resources to the Working Party on International Contract Practices in Industry (WP.5) to carry out its work. Uncertainties were also expressed concerning the adequacy of resources available to the trade facilitation programme. The Committee requested the Executive Secretary to monitor the resources available for the Committee's work in order to ensure that it efficiently carries out its programme of work and to inform the Committee of any problems at its next session.

D. Matters calling for special attention or action by the Commission

9. In order to bring WP.5 and WP.4 into a closer working relationship with the Committee on the Development of Trade, the Chairman of WP.5 has proposed that he and his counterpart in WP.4 become members of an extended Bureau of the Committee. The Committee decided that the issue be further discussed at the forty-ninth session of the Commission.